

السنة الثامنة

INTERNATIONAL

Herald Tribune

Published with The New York Times and The Washington Post

PARIS, FRIDAY, JANUARY 9, 1981

Table with exchange rates for various countries including Algeria, Argentina, Australia, etc.

Established 1887

Weinberger Signals Shift in NATO Arms Spending

George C. Wilson

WASHINGTON — The Reagan administration has signaled it will...

Weinberger kicked President Carter's 3 percent standard toward the ash can with these words at his Senate confirmation hearing on Tuesday...

same interest," he added. "I don't think it's an effective measure simply to look at how much or what percentage. I would like to see the end result. I don't believe in these fixed percentages. I think sometimes they may be too low and sometimes they may be high enough to involve some waste."



Deputy Secretary of State Warren Christopher, left center, was met Thursday in Algiers by U.S. Ambassador Uric Haynes, left, and Mohammed Dembri of Algeria's Foreign Ministry, right.

Algeria Relays Hostage Plan, Urges Patience

ALGIERS — The Carter administration presented Algeria on Thursday with perhaps its final answer to Iranian demands in an attempt to gain the release of the 52 American hostages in Iran before President Carter leaves office.

At issue, diplomatic sources said, was the amount of funds the minister in charge of the hostage negotiations, said Iran had accepted that it and the United States should give unspecified "undertakings" to the Algerian intermediaries.

British Union Strengthens Its Strike Stand

By Carol Cwinarowicz

LONDON — The Independent Solidarity Union Thursday said there could be strikes in the country if any worker is dismissed for failure to work this Saturday.

INSIDE Heart Attack Risk

A new U.S. study, one of the most extensive of its kind, has shown that consumption of large amounts of cholesterol increased the risk of premature death because of heart attack. The findings were in variance with a recent warning by a body of the National Academy of Sciences. Page 5.

Deng Meets Resistance to Ouster of Hua

By Michael Parks

PEKING — Efforts by Deng Xiaoping, the vice chairman of the Communist Party, to remove Hua Guofeng, the chairman, are encountering considerable resistance, stronger than anticipated, within the party, government and army, informed Chinese sources report.

New Reagan Cuts

After hearing warnings that the federal deficit this year will exceed \$60 billion, President-elect Reagan ordered his top aides to prepare deeper spending cuts than they had recommended beginning in 1982. Page 3.

Cruise Missiles Increase Range Tenfold

WASHINGTON Post that they were stunned when U.S. spy satellites revealed last spring that it was a new Cruise-missile submarine that was being built under a giant shed at the Severodvinsk shipyard on the White Sea.

Pentagon Stunned by Soviet Sub Advance

WASHINGTON — The Soviet Union has stunned the intelligence community by launching a Cruise-missile submarine that makes U.S. aircraft carriers 10 times more vulnerable, Navy officials disclosed Thursday.

Palestinian Link To Blast Denied

BEIRUT — A Palestinian extremist group Thursday denied a Kenyan government charge that one of its guerrillas was responsible for the New Year's Eve bombing of a Nairobi hotel that killed 15 persons and injured 85.

Critical Cabinet Meeting Sunday

Mr. Begin, who earlier in the week had said that even if he lost a parliamentary vote, he would remain in office, reportedly has told his closest aides that if either Mr. Hammer or Mr. Hurvitz quits on Sunday, he will submit his resignation.

Warning of Anarchy

It is charged that the government said it wanted to cooperate in Solidarity in resolving the free trade issue and then arbitrarily proceeded to draft its own law. The Solidarity spokesman says that there were signs of anarchy in the country.

Free-Press Issue

In a little noticed action last month, the United Nations showed toward enforcing a report that some Western journalists fear would strengthen government control of the press. Page 5.

Thatcher Points to Upward Indicators, Acts to Dispel Pessimism

By Leonard Downie Jr.

LONDON — Prime Minister Margaret Thatcher believes her monetarist policies are beginning to produce significant signs of long-term improvement for Britain's battered economy, despite the country's current severe recession.

Thatcher Points to Upward Indicators, Acts to Dispel Pessimism

But she fears her government's confidence and determination could be dangerously eroded by its sharp fall in public opinion polls, British media preoccupation with bad economic news, her ministers' failure to effectively accentuate the positive and damage done by a few ministers who publicly disagreed with her policies or leaked details of discussion within her Cabinet.

Inflation is falling quite fast. Interest rates are coming down. ... People are becoming more competitive ...

"Cabinet government consists in coming to a decision by discussion. What you shouldn't ever do is say, 'I'll go along with it inside the Cabinet provided outside I can say I don't agree. That is not Cabinet government and we'll weaken any government. We've had one or two problems. I hope we're through those.'"

Threat to Government

Mr. Ben-Meir's threat, in effect, was that if either Mr. Hammer or Mr. Hurvitz quits the Cabinet over the teacher salary impasse, the 12 NRP Knesset members will leave the coalition, thereby dooming the government.

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Huge Deficit Looms

More Spending Cuts Ordered by Reagan

William J. Eason... WASHINGTON — Warned that the deficit for this fiscal year would exceed \$60 billion, President Reagan ordered his top aides here new, deeper spending cuts they had recommended...

Stockman said after the fact that the deficit for the fiscal year that began Oct. 1 will be "substantially larger" than Mr. Reagan expected before the election, with a \$60-billion increase in spending...

Mr. Reagan said Thursday he will tackle the nation's budgetary problems by making across-the-board cuts in federal spending...

As for the swelling deficit for fiscal 1981, Mr. Stockman said it is "only a small part of the problem" compared to projected outlays in fiscal 1982, which begins next Oct. 1, and in the years beyond that.

Restorative Glow He added, however, that a package of tax cuts, reductions in regulations affecting business, and spending restraint would help restore a glow to the economy if Congress acts swiftly.

Wiesenthal Office Defaced in U.S. LOS ANGELES — Vandals spray-painted swastikas and Nazi slogans on the Simon Wiesenthal Center for Holocaust Studies here Wednesday. It was the third anti-Semitic incident at the center this week.

Police said that the vandals scrawled "Death to All Jews," and in German, "National Socialist White People's Party, Awake" and "Simon is the Murderer," referring to Nazi hunter Simon Wiesenthal.

Reportedly Confers With West Germans Soviet Troop Talks Interpreter Defects countries and those of the Warsaw Pact are in an attempt to mutually reduce the level of troops in central Europe.

Former CIA Employee Had Worked for Russians U.S. Judge Sentences Spy to 18 Years BALTIMORE — David Barnett, the highest-ranking CIA employee ever to confess to being a mole for the Soviet intelligence agency...

Japanese Storm Kills 33 in Week TOKYO — Rescue efforts began Thursday after a blizzard dumped 11 feet of snow in some areas, caused at least 33 deaths and destroyed scores of homes.

Atomic Workers March in France HERBOURG, France — Hundreds of employees of a French nuclear reprocessing plant marched outside the installation's entrance Thursday to protest the government's actions during a fire in a containing nuclear wastes.

afi Chad said that he was keeping with a chairman of a company, a Prime Minister Thursday during a gathering of business...

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Vienna Sessions The 22d round of the Vienna spy reduction talks, involving 19 nations, ended on Dec. 18, and Korolyuk was reported to have flown to West Germany before the final session.

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President-elect Reagan with his choice for secretary of the treasury, Donald Regan, at a meeting Wednesday at Blair House in Washington about upcoming U.S. tax and budgetary problems.

Some Aides Favor Delay on Pledge

By Hedrick Smith... WASHINGTON — The president-elect's economic advisers now favor having his contemplated cut in personal income tax rates take effect in July or August rather than retroactively to Jan. 1, as they agreed six weeks ago.

Meaning Committee, said that a delay in the effective date for personal income tax cuts could reduce Democratic opposition to the tax package, but he forecast difficulty winning approval for the three-year tax reduction proposal in any case.

Size of Deficit The president-elect's aides said other advisers, including Donald Regan, the secretary of the Treasury-designate, and to a lesser degree David Stockman, the prospective budget director, favored the delay, primarily because it would help hold down the size of the budget deficit in this fiscal year.

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Police said that the vandals scrawled "Death to All Jews," and in German, "National Socialist White People's Party, Awake" and "Simon is the Murderer," referring to Nazi hunter Simon Wiesenthal.

Sweden Traffic Deaths STOCKHOLM — The number of traffic deaths in Sweden last year was 712 — down by 64 or almost 9 percent from the preceding year and the lowest figure since 1952 — according to preliminary figures released by the statistics bureau.

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Departing Carter Officials See Little Hope for Reagan's Plans

By T. R. Reid... WASHINGTON — A group of departing Carter administration policy makers have taken a look ahead at the likely future of the government under the incoming Reagan administration and conclude that there will not be much difference.

At a swan-song seminar Wednesday organized by Sam Brown, the onetime liberal firebrand who has run the Action agency for the past four years, eight midlevel Carter appointees suggested that institutional obstacles such as interest-group pressure and bureaucratic inertia will stymie President-elect Reagan's efforts to make major changes in the size and shape of government.

Those of us who've been in government," said Drew Days, the outgoing chief of the Justice Department's Civil Rights Division, "recognize that things move very slowly, there's tremendous inertia, and even Ronald Reagan with his majority mandate may not be able to overcome that."

The point was echoed by all the seminar participants, a group of aggressive, confident young people whose idealism seems to have been noticeably tempered by their four years in government.

Mr. Brown said that Mr. Reagan, if he is to make any significant changes, will have to do so almost overnight. "By 60 or 90 days from now, if they haven't made a lot of the changes they want to make, they're not going to make them," Mr. Brown said, "because by that time the special interests will be geared up, the [Cabinet] secretaries will have come in and understood the complexities of what they're dealing with, and it's going to be very hard to figure out what to do."

Carol Tucker Foreman, a former director of the Consumer Federation of America whom Mr. Carter appointed to the chief consumer job in the Agriculture Department, echoed that sentiment. She noted that Rep. David Stockman, R-Mich., who will be Mr. Reagan's budget director, has acknowledged the need to attempt major changes at the very start of the new administration. But Mrs. Foreman agreed with her colleagues that the new president's chance for success is bleak.

In the national security field, two senior Carter officials, Walter Slocombe of the Defense Department and Anthony Lake of the State Department, said budget strictures and the complexity of foreign relations probably would militate against any significant departures from Mr. Carter's policies.

Mr. Slocombe said that, despite repeated the word "scurrilous" three times, finally adding, "Am I making myself clear?"

Mr. Smith, a Los Angeles attorney whose clients include corporations and utility companies in addition to Mr. Reagan, was clearly upset, and he said the social appearance would "not affect me in the slightest in making any prosecutorial decisions in the future."

The affair seemed unlikely to have any serious impact on Mr. Smith's confirmation hearings, scheduled to begin next Thursday. But the reports raised questions about Mr. Reagan's ties to the singer.

Because of Mr. Reagan's show-business past, his friendship with Mr. Sinatra goes back many years. However, the friendship began receiving prominent attention recently after the singer used Mr. Reagan as a personal reference in his attempt to regain the Nevada gaming license he lost 17 years ago.

Mr. Sinatra is seeking the license to "participate in management" of Caesars Palace in Las Vegas. New Jersey gambling authorities in October rejected an application by Caesars Palace management to open a casino in Atlantic City because the applicants, Clifford and Stuart Perlman, the founders of Caesars World Inc., allegedly associated with organized-crime figures.

A hearing on Mr. Sinatra's Nevada application was scheduled for last month, but was delayed until Feb. 11, at the singer's request.



For our brochure contact: The Leading Hotels of Switzerland, PB157, CH-1000 Lausanne 22, Tel. +4121/365329, Telex 25732.

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NEWS... The Corsican... Security Court Thursday... Denies Troops... States Warned... Urges Wider... Strike... Boost... Says... India... afi Chad... Atomic Workers... March in France... India Crowded... Vienna Sessions... Atomic Workers... March in France... India Crowded... Vienna Sessions... Atomic Workers... March in France...





Books and Exhibitions

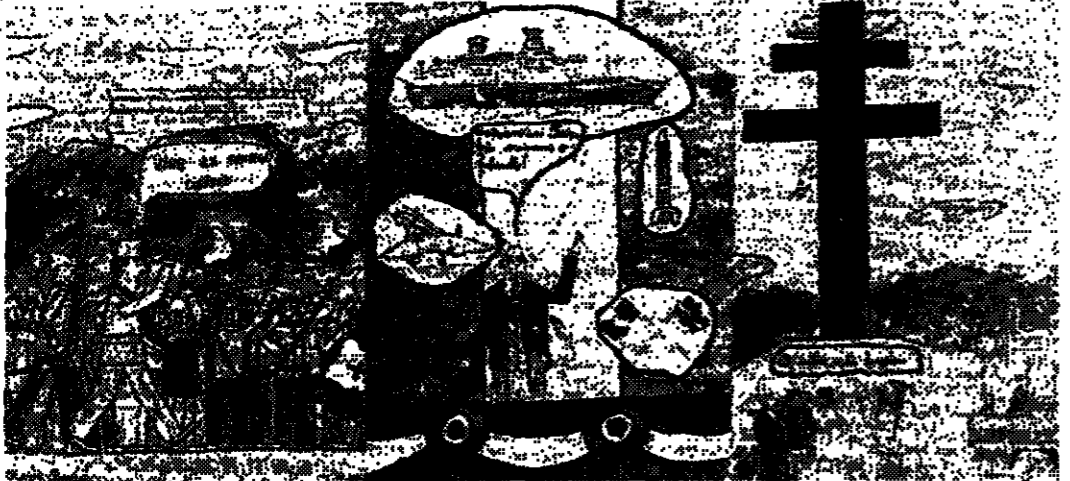
De Gaulle: The Recollections Business Is Booming

By Hebe Dorsey
PARIS — Ten years after the death of Charles de Gaulle, the general who was a legend even while he lived is becoming more of a cult figure than ever.

Guichard, now deputy mayor of La Baule and president of the Loire regional council, spent 23 years close to De Gaulle, including nine as his personal adviser.

"Well, madame, now tell me what one does in Douala to have fun in the evening."
In Morocco, where in a string of official receptions De Gaulle was served mechoui (roasted meat) something like 27 times in a few days, Guichard asked him in jest: "How do you like mechoui?"

country home, were transporting in the trunk of their car.
Guichard said he doubted that De Gaulle had much influence on De Gaulle politically, but he added, "Remember, she never left him. She was always at his side, and I'm sure she must have guided him some by giving him her impression of the people around him."



Highlights of De Gaulle's career as portrayed by Christophe Rouviller at children's drawings show.

Filmmakers

Franco Brusati: Bread, Venice and Good Soldiers

By Thomas Quinn Curtiss
PARIS — "The Good Soldier" — that's the title of my next film, announced Franco Brusati, a stocky, genial man of 50. His boundless energy is detectable at once in his quick gestures and rapid delivery.

Broadway hit. By the time native audiences had grown accustomed to neorealism, Fellini came to undergo the same test. He was established when "La Dolce Vita" opened a road engagement in New York, was lauded by the critics and drew the public.

plays, aside from their Italian productions, have been performed in London, Madrid, Stockholm, Belgrade, New York and Paris, where Melina Mercouri starred in his "Il Benessere." Another of his dramas deals with the effects of a utilities strike on a Rome apartment house.



Franco Brusati

mid-30s, has had many burdens put upon her by circumstance, has accepted them and done her best — like a good soldier. She has stamina, staying power, what you Americans call "guts." A youngster doing his military service falls in love with her.

Complaints

Down on Down Coats

By Fred Ferretti
NEW YORK — Down coats are warm. True. Down coats are coats. Not true. Down coats are everywhere. Everybody likes down coats.

Sharps and Flats

PARIS — Eddie (Lockjaw) Davis and Harry (Sweets) Edison are featured early night concert Sunday at the Hotel Metropole Ball Room.

Kansas City Music Season Off

The Associated Press
KANSAS CITY, Mo. — The Kansas City Philharmonic's 1980-81 season, delayed by a musicians' strike, will be canceled, the chairman of the board of the Philharmonic Association said this week.

PARIS — Eddie (Lockjaw) Davis and Harry (Sweets) Edison are featured early night concert Sunday at the Hotel Metropole Ball Room.
COPENHAGEN — Oscar Peterson is featured at the Club Montmartre Jan. 9, 7 p.m.
WEST HAVEN — Johnny Winter will be at the Plaza West Jan. 13 at 8 p.m. and Lou Panagiotis the same night at the Renaissance at 9:30 p.m.

NYSE Nationwide Trading Closing Prices Jan. 8

Table with multiple columns listing stock symbols, prices, and trading volumes. Includes sub-sections for 12 Month Stock High Low Div, NYSE, and NASDAQ. The table is dense with numerical data and spans most of the page.

(Continued on Page 8)

April 1981

BUSINESS NEWS BRIEFS

Mitsubishi Stops Engine Supply to Chrysler

CHRYSLER's Japanese partner, Mitsubishi Motors, has 3 shipments of an engine that Chrysler offers as an option in its 2.6-liter, four-cylinder Mitsubishi engine has been a seller, as buyers have preferred Chrysler's own less expensive 2.2-liter, which is offered as standard equipment.

Some Buy Into Canadian Mines

GARY, Alberta — The Hunt brothers of Dallas, subjects of a government investigation last year into the soaring price of silver, bought 590 million worth of royalty and working interests in northwestern silver and gold mining operations.

Japan Pledges ASEAN Development Centers

MANILA — Japanese Premier Zenko Suzuki announced Thursday Japan would set up a \$100-million fund for centers in the five states of the Association of Southeast Asian Nations devoted to the development of energy technology, agriculture and small industries.

West German Crude Iron, Steel Output Falls

ESSELDFORD — West German crude steel output was 43.84 million metric tons in 1980, down 4.8 percent from 1979, preliminary government statistics showed Thursday.

Canada Reports \$5.5-Billion Gas Deal

GARY, Alberta — TransCanada Pipelines has a \$5.5-billion contract over 10 years to export 300 million cubic feet of natural gas a year to a Houston-based pipeline company for delivery to the eastern United States.

Western Airlines Confronts Two Merger Bids

LOS ANGELES — Western Airlines, faced with competing merger proposals from Continental Airlines and a uranium mining company, Wednesday said a consolidation with Continental "is in the best interest of the shareholders and employees of Western and the public."

AT&T Antitrust Trial Is to Go Ahead

By Edward Cowan New York Times Service WASHINGTON — A U.S. District Court ordered Wednesday the Justice Department's civil suit to go forward to trial as scheduled Jan. 15.

China Orders Tightening of Money Supply

PEKING — Chinese banks have been ordered to clamp down on credit and reduce the money supply in an attempt to cut spending by industrial enterprises, the People's Daily said Tuesday.

Currency Rates

Table with columns for currency, rate, and bank. Includes entries for Australian \$, Belgian franc, Canadian \$, Danish krone, Deutsche mark, Hong Kong dollar, Japanese yen, New Zealand dollar, Singapore dollar, Swiss franc, U.S. dollar, and West German mark.

A Wall Street Maverick Who Moves the Markets

NEW YORK — It all started Tuesday night with a barrage of telephone calls around the world. The urgent message was to "sell everything and go short," and thousands of investors did exactly that Wednesday.



Joseph Granville

New York investment houses opened with a flood of sell orders from Europe. In Kansas City, Mo., hundreds of individuals told their brokers to liquidate all of their holdings. And in Norfolk, Va., an investment manager reported, managers of pension funds sold off hundreds of thousands of shares, wiping out entire portfolios in one swoop.

On Tuesday night, one of Mr. Granville's not-uncommon abrupt shifts occurred. He said Wednesday that the drop in the market could be "totally traced" to him.

By any standard of the established order on Wall Street, Mr. Granville is a maverick. An alumnus of E.F. Hutton who now operates out of Holly Hill, Fla., Mr. Granville relays his recommendations to 11,000 subscribers of the weekly Granville Market Letter.

1980 Figures Seen Too Bad to Last

U.S. Automakers Count On Upturn in 1981

DETROIT — U.S. automakers are, straining to draw some consolation from the dismal 1980 sales figures that were made public Wednesday, arguing that things can only get better in 1981 and that last year's gloom has a silver lining for this year.

West German Payment Deficit Narrows

FRANKFURT — The deficit on West Germany's overall balance of payments deficit narrowed in November to 2.52 billion Deutsche marks (\$1.28 billion) from 3.45 billion DM in October, and was down sharply from the 9.22-billion-DM deficit in November, 1979, the Bundesbank reported Thursday.

NYSE Prices Falter; Banks Lower Prime

NEW YORK — The aftershocks of a sell recommendation by market forecaster Joseph Granville that rattled Wall Street on Wednesday sent stock prices sharply lower again Thursday on the New York Stock Exchange but on much lower volume.

Analysts said investors continued to take profits in oil, defense and technology stocks, which posted strong gains last year. They also said investors were worried by indications the Federal Reserve will not allow interest rates to fall much now.

The Dow Jones industrial average, which dropped 23.80 points Wednesday, fell another 15.19 points to close at 965.70. Declines led advances about five to three, but volume shrank to 55.35 million from the 92.89 million traded Wednesday, the busiest session in NYSE history.

There were few bright spots, mainly consumer goods issues the market had begun to favor before its sharp drop.

Some investors were encouraged that Chase Manhattan Bank, First National Bank of Chicago, Continental Illinois and Continental Bank of Philadelphia lowered their prime lending rate to 20 percent from the prevailing 20 1/2 percent level.

U.S. Surplus On Accounts Seen Rising

WASHINGTON — The United States' current account — the broadest measure of economic transactions abroad — should double to about \$10-billion surplus this year from the expected \$5 billion surplus last year, Assistant Treasury Secretary Fred Bergesten predicted Thursday.

Chrysler Gain

The U.S. big three sold 138,867 cars in the last 10 days of December, down 23.9 percent from 182,400 in the similar 1979 period. But a rare bright spot was provided by Chrysler's "K" cars, which continued to sell well for a second consecutive 10-day period.

EXCELLENT OPPORTUNITY FOR DISTRIBUTORS AND SALES REPRESENTATIVES OF MILITARY CLOTHING AND EQUIPAGE

The largest supplier of military clothing to the U.S. Government, is now ready to expand its sales to all countries outside the U.S.A. We are a highly respected manufacturer of a wide variety of trousers, field coats, liners, protective clothing and many other basic and specialty items for military and commercial use.

CREDIT NATIONAL U.S. \$50,000,000 13 1/4% Guaranteed Bonds due 1986 With Warrants to Purchase U.S. \$50,000,000 (maximum) 13 1/4% Guaranteed Bonds due 1991 Unconditionally Guaranteed by THE REPUBLIC OF FRANCE

NYSE Nationwide Trading Closing Prices Jan. 8

Tables include the nationwide prices up to the closing on Wall Street.

Main table of NYSE closing prices for various stocks, organized in columns with headers for stock names and prices.

Table of Toronto Stocks closing prices for January 7, 1981, listing various Canadian companies and their share prices.

Flash... Paris Bourse advertisement for January 8, 1981, featuring a table of market data and company news.

Montreal Stocks closing prices for January 7, 1981, listing local market activity.

Canadian Indexes for January 8, 1981, showing various market indices.

Gold Options prices in \$/oz, listing different gold option contracts.

Advertisement for International Funds, listing various investment funds and their details.

Handwritten signature or mark at the bottom of the page.



# Israel Tries to Take Edge Off Debtors' Art of Profiting From Inflation

**By Dial Torgerson**  
*Los Angeles Times Service*

**SALEM**—The Israeli Finance Ministry has quashed the penalty on overdue taxes, in an attempt to curb the habit of making money by paying debts.

Payment of debts has become a fine art in Israel—a means of living with, and even profiting from, the world's highest inflation rates.

The Finance Ministry announced at the end of that inflation in 1980 had reached 135 percent, a businessman smiled: Owing debts in times of high inflation averages 11 percent a month, the real value of a merchant writes on the first of the month is about that much if he delays payment on it at the end of the month. If he delays payment for two months the debt is 22 percent less.

If you have several hundred employees, and you are paying the government all the taxes and social security which you withhold, then you really make a killing," a Jerusalem businessman said, "because you make not just the difference in the inflation, but you get to invest the thousands of shekels that you owe."

A bank in need of cash will pay up to 140 percent interest on short-term loans (the banks loan it out at up to 180 percent). And the Tel Aviv stock market is a bull's-eye place where even average investors can make 300 percent a year. So a businessman knows where to make a lot of money on debts he has not paid.

Some businessmen do not pay each other, but most do not pay the government—at least not on time. "My boss never pays the government any of the withholding until just before they come to arrest him," said Rutiha, a young accountant who keeps the books for the owner of a middle-sized chain of Israeli hotels. "I hate doing it and, as a matter of fact, I hate him, too. But I help him make a lot of money."

"The more you owe," a knowledgeable businessman explained, "the richer you get." In an effort to change all this, the Finance Ministry on Jan. 1 ordered the penalty on overdue taxes increased from one quarter of 1 percent per week to 1 percent a week. This is in addition to the 120 percent interest charged routinely on overdue sums.

"If you add all this together," Uriel Linn, a tax official with the Finance Ministry, said, "it comes to the equivalent of borrowing money from the bank at a rate of 240 percent. We think this will make it economically unfeasible not to pay taxes on time."

But people who have learned to profit from 135 percent inflation are not easily defeated.

**The Value of Small Errors**

Consider the 120 percent interest charged by the government. It is, of course, less than the interest a bank will pay on deposits. But it is tax deductible. When, after perhaps three months, a businessman pays up a given month's withholding taxes, he gets to deduct the interest the government has charged him from his income tax—which, of course, he will also pay three months late.

"And when the smart businessman finally pays," a Jerusalem businessman said, "chances are the check won't be good. Oh, it won't bounce—then you pay more interest. It will have some small error in it, a wrong date, maybe. It will take two more weeks to straighten it out."

The average Israeli, in the meantime, is struggling along on perhaps two jobs, with the wife almost always working, too, trying to keep up with inflation.

The Central Bureau of Statistics reported that in 1980 Israel wages earned—despite cost-of-living payments that supposedly counterbalance inflation—had lost almost one-tenth in the value of their take-home pay. The International Monetary Fund said at year's end that Israel's inflation was the highest in the world, after Turkey's and Argentina's.

A 6-percent decline in imports, together with a 4-percent increase in exports, improved Israel's balance of payments, and despite growth of only .09 percent in the gross national product, economists were not crestfallen. "Someone has to pay the bill," said Israel Ingra, a Bank of Israel spokesman. "In the long run, this will be good for the economy. In 1979 there was a rise in the standard of living, but nothing to cover it."

"I always pay my bills on time," said Rachel, owner of a furniture store on a Jerusalem side street. "Not all of us are crooks. But once when I forgot to sign a check, and it took me two weeks to straighten it out, I realized how much money I made in that two weeks, and I wondered, could I do it, too?"

**Government Late, Too**

The government is late, too, in paying its debts, mainly because the citizens are so lax in paying theirs. So a business person who deals with the government may be strapped for shekels and be forced to pay the bank 150 percent interest on a short-term loan in order to make payroll. And he may delay payment not to make a profit from it but simply because he does not have the money.

"The government taught people to cheat," Mrs. Geora Rejwan, a Jerusalem travel agent, said. "It began to add extras to government paychecks which were not taxable, to make people think they were getting more money. A charwoman who can't read and write gets a sum for professional literature. A man without a car gets a car allowance. And this same sort of thing has spread to other industry, to all business."

## CDM Steps Up Gem Prospecting Despite Namibian Uncertainties

**By Joseph Lelyveld**  
*New York Times Service*

**NJEMUND**, South-West Africa, the dominant diamond producer in the world diamond trade, is speeding up the pace of prospecting in the immense desert region that it controls through a subsidiary in this territory.

The subsidiary was called Consolidated Diamond Mines when Ernest Oppenheimer gambled \$10 million in 1920 on German diamond concessions in the Namib. Now, legally as well as colloquially, the firm is known only as CDM.

In 1979, the last year for which figures have been published, CDM accounted for 18 percent of the pretax profits of \$993 million of De Beers Consolidated Mines Ltd., or \$179 million.

CDM is the largest private employer in South-West Africa, with 40 percent of its revenues in the territory which is going through a long gestation to independence.

South Africa and an insurgent South African and an insurgent South African, the South-West Africa's Organization, agree on for a cease-fire and an election under United Nations supervision at talks now getting under in Geneva—on "a" that is as big as the Namib Desert territory could become independent under the name of Namibia less than a year.

**CDM Property**

CDM is controlled from South Africa, but its prospecting effort in the concession area along the Atlantic coast shows it is bent on demonstrating that it is an indivisible part of the future of an independent Namibia.

CDM officials here are careful not to underestimate. Nevertheless, they acknowledge that the nation the company has accumulated in the last six decades of mineral deposits in its two concession areas—about 21,000 square miles, about 40 percent of the country—remain CDM's property.

The present exploration effort is concentrated in three areas. The most ambitious search appears to be in a coastal stretch between Chameis Bay and Bogofels.

**Off the Coast**

Company prospectors are also re-examining old German dig sites near Luderitz, farther to the north, and working their way along the Orange River to the easternmost border of the Sperrgebiet, which is German for forbidden territory, the name by which the prime concession area has been commonly known since before World War I.

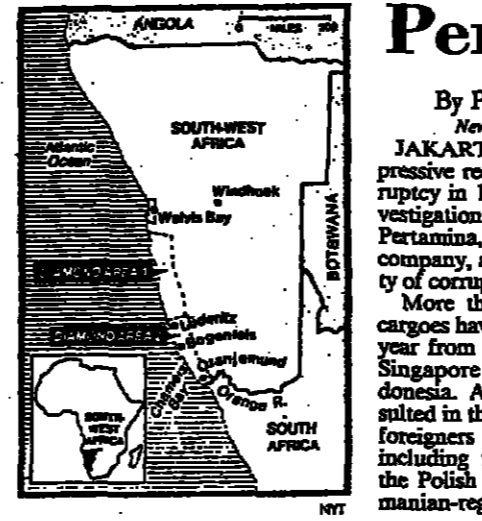
Production has been gradually reduced in the last few years: 1.65 million carats were recovered in 1979, compared with 1.89 million the year before. A carat is one-fifth of a gram.

CDM has been preparing for a new South-West African government in various ways. The dismantling of the South African system of racial separation in the territory has enabled the company to move the first black families into this oasis settlement of 8,000 persons, which has always been predominantly made up of single black migrant workers.

Only skilled workers and supervisory personnel are allowed to bring their families. The number of blacks in those categories is just

starting to rise as a result of the company's training programs. By next year, it is said, there should be more than 100 black children in the previously all-white schools, or about one-fifth of the school population. Social and sports facilities have been desegregated.

In addition to being one of the world's leading producers of gemstones, South-West Africa has what is said to be the world's largest uranium mine at Rossing. It also has important copper, lead and zinc deposits.



## Pertamina Thefts Revive Corruption Fears

**By Pamela G. Hollie**  
*New York Times Service*

**JAKARTA**—Despite an impressive recovery from near bankruptcy in 1975 and subsequent investigations of widespread graft, Pertamina, Indonesia's national oil company, again faces the possibility of corruption within its ranks.

More than \$15 million in fuel cargoes have been stolen in the last year from ships traveling between Singapore refineries and Indonesia. An investigation has resulted in the arrest of more than 50 foreigners and Indonesians so far, including the Greek captain and the Polish first mate of the Panamanian-registered ship Houshan B.

"We think there are more," a Pertamina spokesman said. "The investigation will continue until we are sure."

The alleged scheme, which involved doctored shipping certificates, transfers at sea and resales of fuel in Singapore and Hong Kong, inevitably raises questions about corruption at Pertamina.

Although no company officials appear to be involved, the magnitude of the theft, which in one case included 38,526 metric tons of fuel shipped by Exxon's Esso Singapore Pte. between December, 1979, and last August, suggests the involvement of others besides shipping personnel.

Investigators believe that, in addition to the shipping crews, the alleged scheme included Pertamina employees in the shipping division, employees of the domestic-fuel-supplies division and accomplices in Singapore.

Pertamina became suspicious when the discrepancy between bills of lading and those for off-loading reached as high as 6 percent.

This new scandal comes at a time when Pertamina is trying to impress the international financial community that past practices of corruption and mismanagement have been rectified and that, with strict government regulations and conservative management, Pertamina is healthy.

Under its flamboyant president-director, Ibnu Sutowo, Pertamina, created in 1968, expanded into agriculture, tourism, shipping, aviation and steel. To bypass government restrictions and controls, Pertamina financed its expansion with short-term loans not requiring government approval. The loans were covered by new loans and higher oil prices.

But in 1974, with the world recession and sharp increases in interest rates, Pertamina was caught with a huge short-term debt and a shortage of cash. Pertamina had total debts of \$10.5 billion, and only two large loans organized by the Morgan Guaranty Trust Company and the Bank of Tokyo saved the company.

Now headed by Maj. Gen. Piet Haryono, who arrived in 1976 to deal with the problems left by Mr. Sutowo, who was dismissed, Pertamina has dropped its nonoil businesses and handed the purse strings to the government.

To increase revenues, oil production contracts were renegotiated to give Pertamina an increased share. And, through incentives, Pertamina has encouraged the growth of oil and gas exploration. It also plans major refinery expansions, along with natural gas and geothermal development.

Helped by the favorable market conditions and higher oil prices,

Klockner Industries, to Achmed Thahir, former Pertamina director-general, for contracts negotiated for Indonesia huge's Krakatau steel project in West Java. Achmed Thahir's widow, Kartika Ratna Thahir, says the funds belong to her, that they were not amassed secretly and that Pertamina officials had endorsed them.

The former Pertamina structure, which allowed officials to form subsidiaries and generate fat bank accounts, seemed to encourage corruption. And although Pertamina has endorsed more Western attitudes about corruption, the punishment of former Pertamina officials has been lenient.

## Mitsui Faces Steel Probe

**From Agency Dispatches**

**FRANCISCO**—A federal grand jury investigation, believed to be the first, is under way into alleged dumping of Japanese steel in the United States.

The probe was revealed in documents filed Wednesday in U.S. District Court here.

The documents—arising from a suit by the U.S. attorney's office against Mitsui & Co. (USA) Inc. before a grand jury next Tuesday—discuss what one text calls "a major grand jury investigation into false statements made to the United States Customs Service to disguise the fact that steel products imported from Japan are being sold to American customers at less than value."

Mitsui USA, a trading company, has exports from Japan's steel industry. Customs agents invaded Mitsui's New York offices early last month and seized business records.

Mitsui spokesmen in San Francisco combated the probe Tuesday. "We are cooperating with the investigation," he said. "Our company policy is to comply with the laws and regulations of the U.S. government."

He said seven prospective witnesses are being interviewed by the same law firm that the U.S. government has named as a target of the investigation. It urges the firm to desist from representing more than one.

## Chase Unit Forecasts Desire for Tangible Properties Report Sees Arabs Investors Favoring U.S.

**By Alexander Nicoll**  
*Reuters*

**NEW YORK**—Private Arab investors are likely to seek greater participation in foreign equity markets and will probably continue to prefer the United States over other investment areas, according to a report by a Chase Manhattan Bank subsidiary.

The report is the first of two volumes called "Arab investors—Who they are, what they buy and where" and is published by Chase World Information Corp. It was made available to Reuters.

In the 1980s, as oil revenues seep down to private sectors and cannot be absorbed domestically, "a steadily increasing portion of foreign investment by Gulf Arabs will be by individuals in the private sector," the report says.

There will probably be demand for more tangible properties as investors try to minimize the erosion of financial assets seen in the late 1970s, the Chase unit said.

**Stability Cited**

Arabs, it said, prefer the United States because of its political stability, a free enterprise economy within a regulated environment and the diversity, size and sophistication of U.S. markets.

A key problem for Arab investors is political bias among some Americans who are antagonistic toward them.

The Chase unit said that Arabs have been increasingly concerned about restrictions on foreign investment in the United States, and that they feel uneasy about the

amount of disclosure of financial background required when making direct investments in the United States.

The volume deals with investment outside the Arab world by governments and individuals of Kuwait, Saudi Arabia, the United Arab Emirates, and, briefly, Qatar and Libya. A second volume will cover their investments within their own area.

On government investments, the report says Kuwait and Saudi Arabia, by far the largest surplus holders, have not substantially diversified away from dollar assets.

About two-thirds of Kuwait's and about three-quarters of Saudi Arabia's foreign holdings are in dollars, while the United Arab Emirates may now hold less than 45 percent of its portfolio in dollar assets, after diversifying, particularly into Japanese and West German securities, in the late 1970s, the report says. None of the governments has a significant investment in gold. Qatar has also substantially diversified out of the dollar.

Arab oil producers, who have the world's largest foreign aid programs in proportion to gross national product, do not consider themselves responsible for solving Third World balance of payments problems, the Chase unit says. But it added that they likely will use more of their surpluses, estimated to total \$500 billion by 1985, on equity-linked investment both in the Arab region and Third World countries.

## U.K., Settling Fend With Indonesia, Agrees on Higher Garment Imports

**From Agency Dispatches**

**JAKARTA**—Indonesia and Britain tentatively settled their 6-month-old trade dispute Thursday, with Britain agreeing to import 2 million articles of clothing from Indonesia this year, a substantial increase from last year.

British Trade Secretary John Nott said the agreement, which still needs approval by the European Economic Community, clears the way for several hundred million pounds of business in Indonesia.

The dispute began last year when Britain, citing European Economic Community regulations, imposed quotas on imports of Indonesian garments; Indonesia protested and business relations were threatened.

The tentative agreement would allow Indonesia to send 700,000 trousers, 500,000 blouses and 800,000 men's shirts to Britain this year. This is just under two-thirds of the total number of garments Indonesia exported to Britain last year, largely before the quota was announced, and considerably more than the July quota.

Mr. Nott, who was to return to London Thursday night to assume his new position as defense secretary, said he was providing the Indonesians with a list of projects and business, including manufactured goods, that Britain was interested in, worth several hundred million pounds.

A British Leyland representative said he believed that a \$3.5 million contract secured on Tuesday for 25 double-decker buses was concluded only because of Mr. Nott's visit.

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## U.S. to Monitor Imports

**WASHINGTON (Reuters)**—Commerce Secretary Philip Clark said Thursday that his department plans to monitor imports of specialty steel products in order to detect any large volume sales and permit quicker enforcement of anti-dumping laws.

This announcement appears as a matter of record only.

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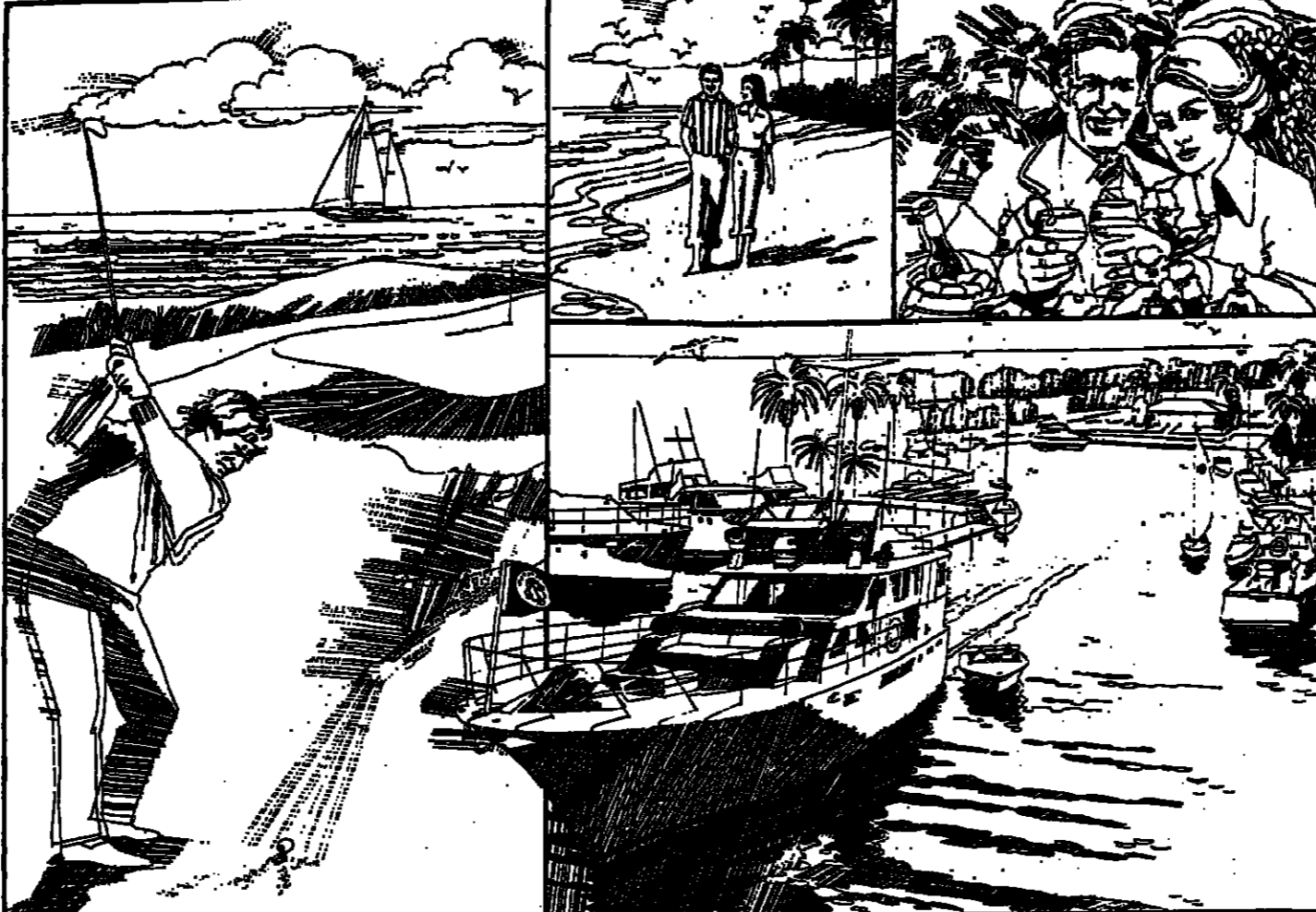


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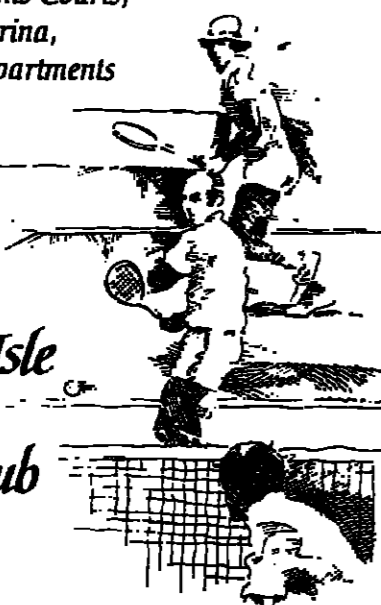
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Table with columns for Banks, Closing prices, January 8, 1981, and Non Banks. Lists various financial instruments and their prices.

Selected Over-the-Counter

Table with columns for Closing Prices, January 8, 1981, and various stock symbols and prices.

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AMEX Nationwide Trading Closing Prices Jan. 8

Tables include the nationwide prices up to the closing on Wall Street.

Main AMEX stock price table with columns for 12 Month Stock, High, Low, Div, and various stock symbols like IBM, GM, and Ford.

U.S. COMMODITY PRICES

Table of U.S. commodity prices including Chicago Futures (Wheat, Soybeans, Corn), Live Beef Cattle, and various oils.

London Metals Market

Table of London metals market prices for copper, nickel, and tin.

International Monetary Market

Table of international monetary market rates for British Pound, Swiss Franc, and Japanese Yen.

New York Futures

Table of New York futures prices for Round White Potatoes and Soybean Oil.

London Commodities

Table of London commodity prices for Sugar, Cocoa, and Coffee.

Paris Commodities

Table of Paris commodity prices for Sugar, Cocoa, and Coffee.

Market Summary

Summary table for NYSE Most Actives and Dow Jones Averages.

European Stock Markets

Table of European stock market closing prices for Amsterdam, Paris, London, and Brussels.

Company Reports

Table of company reports including United States Chemical New York Corp and Levi Strauss and Co.

Malaysian Oil Prices

Table of Malaysian oil prices up to \$40.30-\$42.10.

Futures Dow Jones

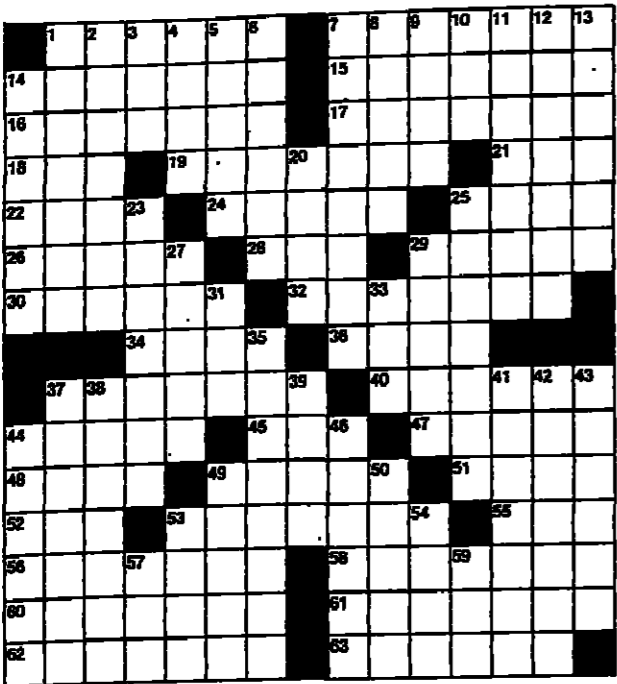
Table of futures Dow Jones prices for January 8, 1961.

AMEX Index

Table of AMEX index values for January 8, 1961.

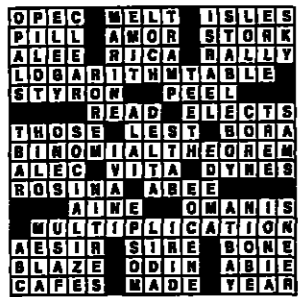
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- ACROSS: 1 Make allowance for... 7 Floor men in a... 14 Reconcile differences... 15 Islands in the South Pacific... 16 Religious recluse... 17 Any... 18 Not any: Law... 19 Staidly; calms... 21 Sight on the Seine... 22 Province of Saudi Arabia... 24 Kind of riddle... 25 Bakery worker... 26 Rattan and sorgo... 28 Hoover, for example... 29 Supports... 30 Decides on... 32 Railroad vehicles... 34 Jeune... 37 Boutique name... 38 Household gods of Rome... 40 Parts of a city skyline... 44 Malicious
- DOWN: 45 Dieter's dish, British style... 47 Corrupt... 48 "... for England"... 49 Chesterton... 51 Response to the Little Red Hen... 52 Jack... 53 Gun named after its inventor... 55 "... Cents a Dance"... 56 Fatty... 58 Nobelist for Peace: 1962... 60 Bamboozle... 61 They deviate... 62 Those at swords' points... 63 Mire
- DOWN: 1 Reading... 2 Sweet girl of music... 3 Frame... 4 Raised terrace out of doors... 5 Playful animal... 6 Mandatory... 7 Clad, as for a festival... 8 Pines... 9 Thirteen... 10 Malayan gibbon... 11 Lorelei, e.g... 12 Small valleys of the moon... 13 Creator of Lord Peter Wimsey... 14 Threaten... 20 Blind as... 23 Yields to inquisitors... 25 "... Madonna, Red Square icon... 27 S.P.C.A. pickup... 29 Accept formally... 31 Act as a model... 33 City in Yugoslavia... 35 Enthusiasts... 37 Knight... 38 Fabric with open mesh... 39 Ratify... 41 In wild confusion... 42 International understanding... 43 Overcharges... 44 Bottle type... 46 Beefs... 49 Old name for a Swiss canton... 50 Traffic situation... 53 Singer Grant... 54 ... Nankai... 57 TV's Dawber... 59 Terhune canine

Solution to Previous Puzzle



WEATHER

Table with weather forecasts for various cities including ALABAMA, AMSTERDAM, ANKARA, ATHENS, AUCLAND, BANJOK, BEIRUT, BELGRADE, BERLIN, BRUSSELS, BUCHAREST, BUDAPEST, BUENOS AIRES, CAIRO, CASABLANCA, CHICAGO, COPENHAGEN, COSTA RICA, DUBLIN, EDINBURGH, FLORENCE, FRANKFURT, GENEVA, HELSINKI, HONOLULU, HONG KONG, HOUSTON, JAKARTA, JERUSALEM, JOHANNESBURG, LAS PALMAS, LIMA, LISBON, LONDON, LOS ANGELES, MADRID, MANILA, MEXICO CITY, MIAMI, MILAN, MONTREAL, MOSCOW, MUNICH, MASSAU, MELBOURNE, NEW YORK, NICE, NORFOLK, PARIS, PEKING, PRAGUE, RIO DE JANEIRO, ROMAE, SAN FRANCISCO, SINGAPORE, STOCKHOLM, SYDNEY, TAIPEI, TEL AVIV, TOKYO, TORONTO, TUNIS, VERONA, VIENNA, WASHINGTON, ZURICH. Includes high/low temperatures and weather conditions like Fair, Cloudy, Rain, etc.

RADIO NEWSCASTS

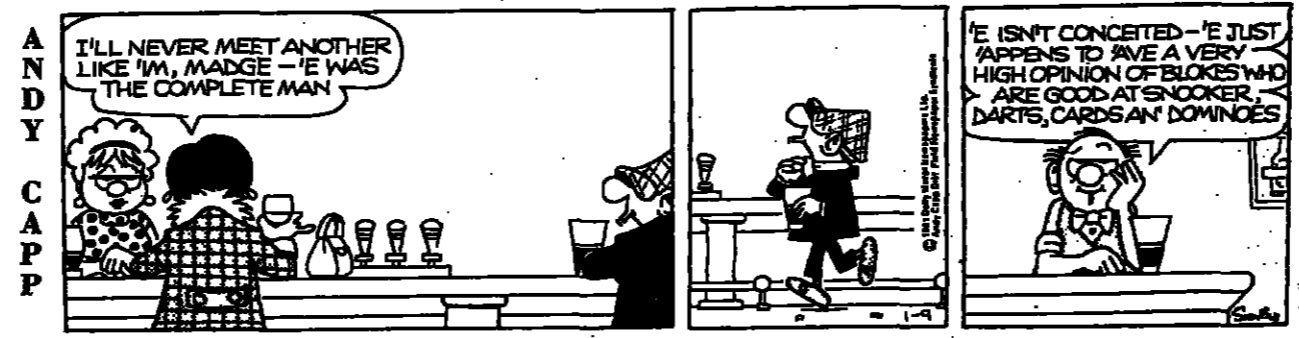
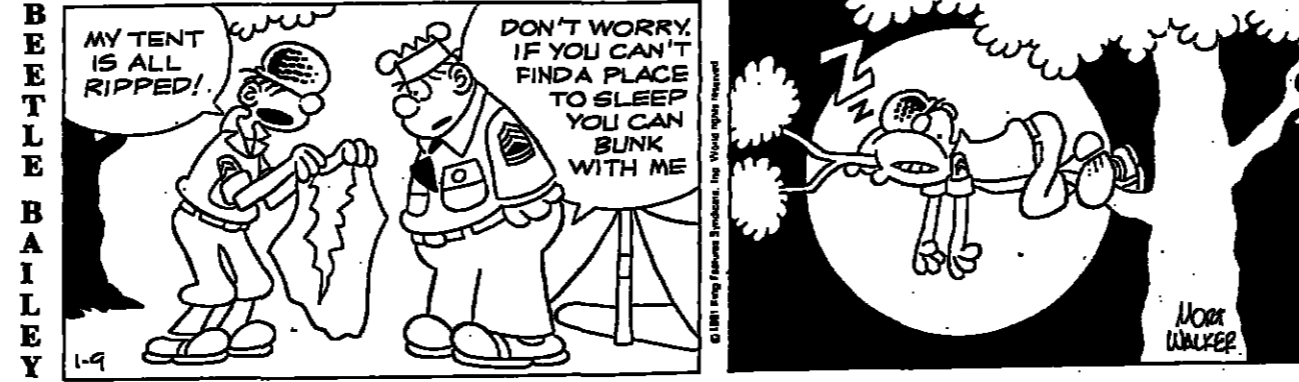
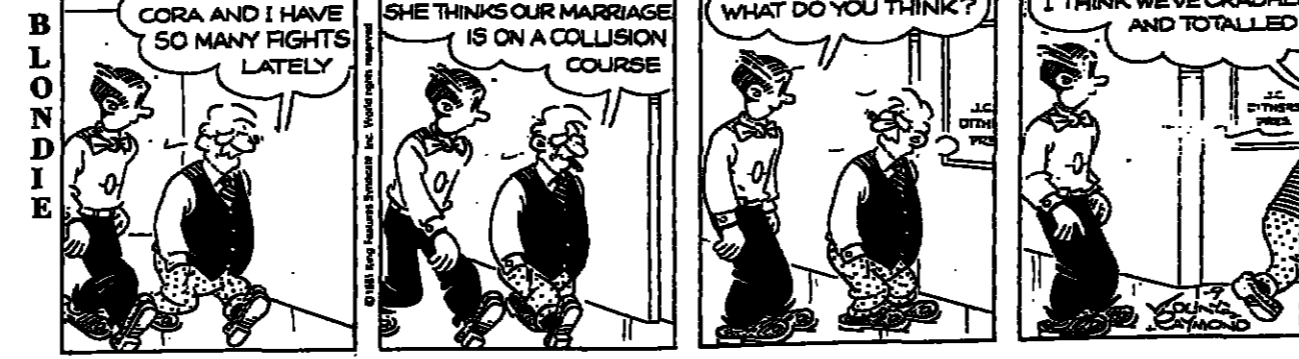
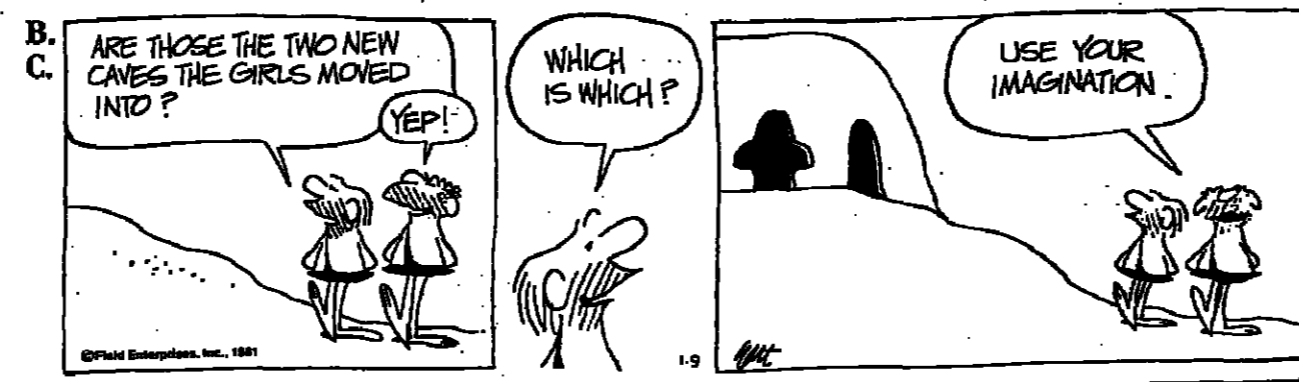
BBC WORLD SERVICE
Broadcasts at 0000, 0300, 0500, 0800, 0900, 0930, 1200, 1400, 1700, 1900, 2000, 2200, 2300 and 1500 KHz in the 41, 41.25 and 19 meter bands.
Middle East: 1420KHz and 2220 Medium Wave, 25.650, 21.600, 17.800, 15.420, 12.075, 11.820, 6.900, 7.300 and 6.800 KHz in the 11, 12, 14, 19, 24, 25, 31, 42 and 49 meter bands.
North and North West Africa: 25.650, 21.600, 17.800, 15.420, 12.075, 7.300 and 6.800 KHz in the 11, 12, 14, 19, 24, 25, 31, 42 and 49 meter bands.
Southeast Africa: 25.650, 21.600, 17.800, 15.420, 12.075, 7.300 and 6.800 KHz in the 11, 12, 14, 19, 24, 25, 31, 42 and 49 meter bands.
Middle East: 1420KHz and 2220 Medium Wave, 25.650, 21.600, 17.800, 15.420, 12.075, 7.300, 6.900, 7.300 and 6.800 KHz in the 11, 12, 14, 19, 24, 25, 31, 42 and 49 meter bands.
South Asia: 1410KHz and 2220 Medium Wave, 25.650, 21.600, 17.800, 15.420, 12.075, 7.300, 6.900, 7.300 and 6.800 KHz in the 11, 12, 14, 19, 24, 25, 31, 42 and 49 meter bands.
East and South East Asia: 25.650, 21.600, 17.800, 15.420, 12.075, 7.300, 6.900, 7.300 and 6.800 KHz in the 11, 12, 14, 19, 24, 25, 31, 42 and 49 meter bands. Also for Singapore only: 8.000 KHz VHF.

VOICE OF AMERICA

The Voice of America broadcasts world news in English on the hour and at 28 minutes after the hour during varying periods to different regions.
Suggested frequencies:
Western Europe: 6400KHz and 6630 Medium Wave, 5.975, 4.860, 7.120, 7.185, 7.255, 9.410, 9.570, 12.975 and 15.070 KHz in the 41, 41.25 and 19 meter bands.
Middle East: 1420KHz and 2220 Medium Wave, 25.650, 21.600, 17.800, 15.420, 12.075, 7.300, 6.900, 7.300 and 6.800 KHz in the 11, 12, 14, 19, 24, 25, 31, 42 and 49 meter bands.
Southeast Africa: 1410KHz and 2220 Medium Wave, 25.650, 21.600, 17.800, 15.420, 12.075, 7.300, 6.900, 7.300 and 6.800 KHz in the 11, 12, 14, 19, 24, 25, 31, 42 and 49 meter bands.
South Asia: 1410KHz and 2220 Medium Wave, 25.650, 21.600, 17.800, 15.420, 12.075, 7.300, 6.900, 7.300 and 6.800 KHz in the 11, 12, 14, 19, 24, 25, 31, 42 and 49 meter bands.
Africa: 1420KHz and 2220 Medium Wave, 25.650, 21.600, 17.800, 15.420, 12.075, 7.300, 6.900, 7.300 and 6.800 KHz in the 11, 12, 14, 19, 24, 25, 31, 42 and 49 meter bands.

Telephone Numbers Game Foils Drug Deal, Alleged Dealer in U.S.

PITTSFIELD, Mass. — Any one attempting to deal in drugs should make sure that his phone number is not anything like that of that of the local police department. An alleged customer of suspected dealer Jere Brown called what he thought was 442-3359 and said that he wanted to make a drug deal, police say. But a slip of the finger connected him instead to the local police department, whose number is 442-3359. The policeman who answered the phone told the caller that he had the wrong number and was really talking to the police department. The caller refused to believe him and kept saying, "Stop puttin' me on. Stop puttin' me on. You're the man." He finally told the officer what number he was trying to call. The police then dialed the number given by the caller and an undercover agent arranged to meet Mr. Brown, who allegedly attempted to sell the officer some marijuana and was promptly arrested.



JUMBLE: THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee. Includes a word search puzzle with words like ARBIN, NOWDY, THAGAS, MELBUH.



BOOKS

MERTON
A Biography
By Monica Furlong, Harper & Row, 342 pp. \$12.95.
Reviewed by Colman McCarthy

FINALLY we get to know something about Thomas Merton — not Merton the mystic nor the recluse, but one of us, someone trying to keep an ideal or two intact and arguing with himself whether or not the daily struggle makes sense. Since his death in 1968 — in Bangkok, where he was both geographically and emotionally half a world away from the Trappist monastery in Kentucky he entered in 1941 — many books on Merton have appeared. It's been mostly a flow of syrup. The authors were well-meaning, but their writing was sugared by a reverential awe for a spiritual master. They produced hymns, not books.

With little on the shelf to get in her way, Monica Furlong offers a biography that combines hard reporting and detached insight, the kind of intellectual virtues that Merton himself respected.

Walls of Contradictions
Furlong, who had access to the priest-writer's vast correspondence in collections at Bellarmine College and St. Bonaventure's is sympathetic with Merton's religious values. But she understands that Merton the seeker of holiness was a small part of the full personality of a man whose mind and heart seemed to be forever bouncing off walls of contradictions.

To millions of readers, he was the last word on authentic spirituality. Yet he wrote to Rosemary Ruether, a theologian: "Do you think you could help me once in a while..." Not so much for my work, as just to help me think... I just need help in two areas where I have serious trouble and where I have simply been avoiding a confrontation. The Bible and the Church.

He celebrated his renunciation of worldly pleasures in his best-selling autobiography, "The Seven Storey Mountain," but on a well-hushed trip to New York City in 1964 he not only was overjoyed to be released from the monastery for a few days but discovered that the old world wasn't so wicked after all: "The people walking on Fifth Avenue were beautiful. New York is a stately and growing city, a true city, lifelike. Anything but soulless. I am faithful to her. I have not ceased to love her."

Merton cherished solitude, but he was often as busy as a trainmaster in routing visitors through his monastery. He welcomed old friends from Columbia University and people as diverse as Jacques Marjain and John Howard Griffin. His correspondence was astonishingly catholic: with Henry Miller, Cardinal Montini (later Pope Paul VI), oriental mystics, South American poets, pacifists and strangers who wrote to him because he seemed to be a person who would understand their troubles.

Readers saw in Merton's books — some years he would write two or three — a man who symbolized tranquility in a world gone mad. It was easy to romanticize him, except that the picture of the serene holy man fully centered on all things divine didn't hold up. His abbot, a crafty and conservative character who knew that Merton's image was as important to the monastery as its cheese and jelly, once leveled with an outsider that Merton "has worked himself into a great brain fever, and he is blaming everyone else and his surroundings for his lack of peace — which is common to neurotics." If Merton was mentally unstable, two psychiatrists that he visited — one in Louisiana, another in Minnesota — didn't know it. Instead, Furlong argues, his conflict with authority — and his resentment of his abbot's power over him, his balking at the order's censorship who refused to let him publish everything he wanted, his dislike of the monastery's love of business deals — came from his need for "an order less austere designed than the one he had, perversely, chosen an order, say, like the Benedictines, with a strong tradition of learning and aesthetic sensibility, and much more open to what was happening in the world outside."

BRIDGE By Alan T.
ON the diagramed deal, North-South reached five diamonds by a natural route against silent opponents, and West led the spade jack. South scheduled his plays in a manner that gave him the maximum chance of avoiding the loss of three club tricks. He won the opening spade lead with the ace, led a heart to dummy and ruffed a spade. He then led the diamond queen, and was disappointed to find that the missing trumps were all on his right. He then reverted to hearts, ruffing the third round, and was rewarded when the queen fell on his right. Now it was simple, for he could draw trumps ending in dummy and throw a club on the heart jack to make the game. If the heart queen had not fallen, South would have been able to lead a club toward his king at the right moment, leaving himself perhaps with a guess in the suit later when leading toward the jack. If the diamonds had split evenly, he would have had another option: If West had begun with four hearts headed by the queen, he could be end played at the right moment by playing the last heart from and throwing a club. In the replay South had a formation he would have better off without. West had very light take-out doubt South not unnaturally that that the heart queen was left. He took an early heart losing to the queen, and lost two club tricks for down.

Muhammads: Ring's Odd Couple

By Michael Katz New York Times Staff

YORK — The confusion is under way. They are both named Muhammad, and both are heavyweights in the world of boxing...

Always on the Edge... goes to the edge of defeat time after time. He disdains the niceties of self-defense...

Well-Off, Well-Armed... he was making enough money to afford a one-month apartment and three cars. He obviously liked to play with a gun...

Harvesting Farmer... "There was this guy known as Farmer, a real mean dude, and he was looking for me. I was walking along with my mother when he came up...

Dusting Himself Off... One of those events took him to the state prison in Rahway, N.J., in 1978 where, out of shape, he was outpointed by James Scott and lost his No. 1 ranking...

Fighting Friends... Saad talks a lot about Mustafa. After all, Saad was the loser in their first meeting. "When he beat me, I hated his guts," Saad says...

Manners... And when the Oilers played in an open stadium, he always wore one of his two dozen cowboy hats. But in the Astrodome he never wore a cowboy hat...

AP's All-NFL Team... NEW YORK — The Associated Press All-Pro Team for the 1980 National Football League season...

Net's Cliff Robinson missed the ball but found the face of Indiana's Mike Bantom in game Wednesday. Pacers won, 112-103.

NHL Standings table with columns for team, W, L, T, GF, GA, Pts. Includes teams like Montreal Canadiens, New York Islanders, etc.

NBA Standings table with columns for conference, team, W, L, Pct. Includes Eastern Conference teams like Philadelphia 76ers, Boston Celtics, etc.



Cornelia Proell... Taking top honors at Pfronten, West Germany.

Cup Downhill Won by Proell

Pfronten, West Germany — Hurting down a hard-packed course, Austrian Cornelia Proell, the younger sister of superstar Annemarie Moser-Proell, recorded her first World Cup downhill victory Thursday with a time of 1 minute, 19.36 seconds...

Bum's Rush May Lead to Sainthood

For six years Phillips never had an offensive coordinator. So when Adams told him he had to get one to diversify the offense, Phillips got stubborn...

AP's All-NFL Team... NEW YORK — The Associated Press All-Pro Team for the 1980 National Football League season...

Net's Cliff Robinson missed the ball but found the face of Indiana's Mike Bantom in game Wednesday. Pacers won, 112-103.

AP's All-NFL Team list with columns for position, player name, team, and coach.

CLASSIFIED ADVERTISEMENTS section containing various job openings, real estate listings, and service advertisements.

Observer

Reaganauts at Helm

By Russell Baker

NEW YORK—Congress' great conservative year began with Sen. Strom Thurmond's investigation of Jane Fonda and immediately produced fireworks when Fonda refused to answer questions about her hip, waist and bust measurements.

Sen. Thurmond cited Fonda for contempt of Congress and Fonda cited Congress for producing fireworks at the Capitol in violation of District of Columbia zoning regulations.



Baker

At this impasse, a scandal erupted when the Washington Post published a picture of Sen. Jesse Helms buying a can of beans with food stamps. Sen. Helms charged that the picture was a forgery and requested Sen. Thurmond to investigate.

After taking testimony from the Helms family, all of whom stated that Sen. Helms despised canned beans almost as deeply as food stamps, Sen. Thurmond suspended the hearings in order to press for passage of his bill repealing the District of Columbia zoning regulations.

Excessive government regulation was strangling the free-enterprise system, he told the Senate. Was it any wonder the Japanese found it so easy to conquer the U.S. car market when a congressman couldn't even produce fireworks in the capital of the United States?

The Senate shouted through an amended version of the Thurmond bill authorizing automobile construction on the Capitol grounds. This was killed in the House of Representatives, which considered it unseemly to encourage people to work in the vicinity of the Congress.

In the meantime, Sen. Robert Dole had run into trouble fighting President Reagan's 30-percent tax cut out of the Finance Committee. Difficultly across the board, senators who wanted to take back the Panama Canal argued that a 30-percent tax cut would leave the military dangerously weakened if Panama resisted.

The budget cutters objected to spending billions to take back the canal and demanded that President Reagan come up with a low-cost program for showing Panamanians they couldn't push the United States around. The president's solution for the Panama Canal—having the Navy suck all the water out with a straw—passed the Senate easily.

It was killed in the House by the oil lobby, which complained that the influx of water would raise the sea level and increase drilling costs in the Gulf of Mexico. This left President Reagan's tax cut in severe trouble, but to avoid looking futile, the Finance Committee wrote 2,000 pages of new tax law to be added to the old.

A serious crisis arose when the press reported that Henry Kissinger had been clandestinely slipping into the White House after dark disguised as a member of the Moral Majority. President Reagan denied that Mr. Kissinger was in disguise. In fact, he disclosed, Mr. Kissinger had secretly joined the Moral Majority and occasionally came to the White House to preach to the staff about the evils of the Equal Rights Amendment.

Some conservatives nevertheless wanted Mr. Reagan impeached on grounds of taking moral instruction from a Harvard man.

An even graver problem arose when the three conservatives assigned to keep an eye on Vice President Bush notified Congress that he had been seen wearing an Ivy League necktie at a dinner in his house. During Sen. Thurmond's investigation, the vice president conceded that he had worn an Ivy League necktie once since the triumph of conservatism, but that the occasion had been a Halloween dinner at which he wanted to frighten the three guardians of conservative orthodoxy who were keeping an eye on him.

This reminded Congress that it was already well past Halloween of the great conservative year, and Sen. Thurmond opened an investigation to find out why nobody had told them beforehand so they could have had a little fun in tight masks.

New York Times Service

Portraits: 2 Approaches

The Informed Sensitivity of Jill Krementz's Images of Writers And the Artistic Formality of Arnold Newman

By Elaine Kendall

LOS ANGELES—Jill Krementz has made a specialty of photographing contemporary writers. She combines an informed sensitivity with a careful use of costume and setting to convey her subject's literary style as well as physical image in her collection, "The Writer's Image: Literary Portraits" (Godine).

The Krementz portrait of Kathryn and E.B. White, seated close together on their sofa, deep in conversation and surrounded by worn and familiar objects, is a small biography of their long and productive lives. The lively triptych of John Updike gleefully jumping rope is almost a retrospective of his novels, poems and

criticism; the solitary, dramatic study of Anais Nin, posed in a swirling black cape arranged like a seashell, shows the heroine of the diaries in the act of revealing herself.

Janet Flanner appears in a cloud of smoke that blurs her features but re-creates the atmosphere of the French cafes that were Flanner's vantage point for 40 years. William F. Buckley is photographed in the back of his limousine with his briefcase beside him and a phone wedged on his shoulder. His dog is eagerly waiting for a chance to get a bark in edgewise, and the picture is full of a warmth his readers rarely see.

There's James Michener in

shorts on the grass, wearing neatly folded ankle socks and two-tone sneakers; solemn, precise and totally guileless. There are writers on city streets, others in tidy or disordered bedrooms; writers with their lovers, friends, children and grandchildren; writers affected, relaxed, brooding, playful. The book is a wonderful mix of character, introducing authors to their public in the attitudes they consciously or unconsciously assume.

Edmund Wilson is baleful, Marianne Moore is impressively impassive and a recent picture of Truman Capote parodying the effete photo of himself on the jacket of "Other Voices—Other Rooms" is both courageous and eccentric. Krementz has learned her subjects' work so well that literary individuality can be inferred from the pictures. The book is a survey of mid-century literature and a course in the art of portraiture.

Arnold Newman's photographs of painters and sculptors in "Artists: Portraits From Four Decades" (Little Brown-New



Anais Nin in 1971, by Jill Krementz.

York Graphic Society) are more deliberate and formalized; Newman tends to favor certain effective devices—paintings turned to the wall, bare light bulb dangling overhead, props and images recurring as themes in the artists' work.

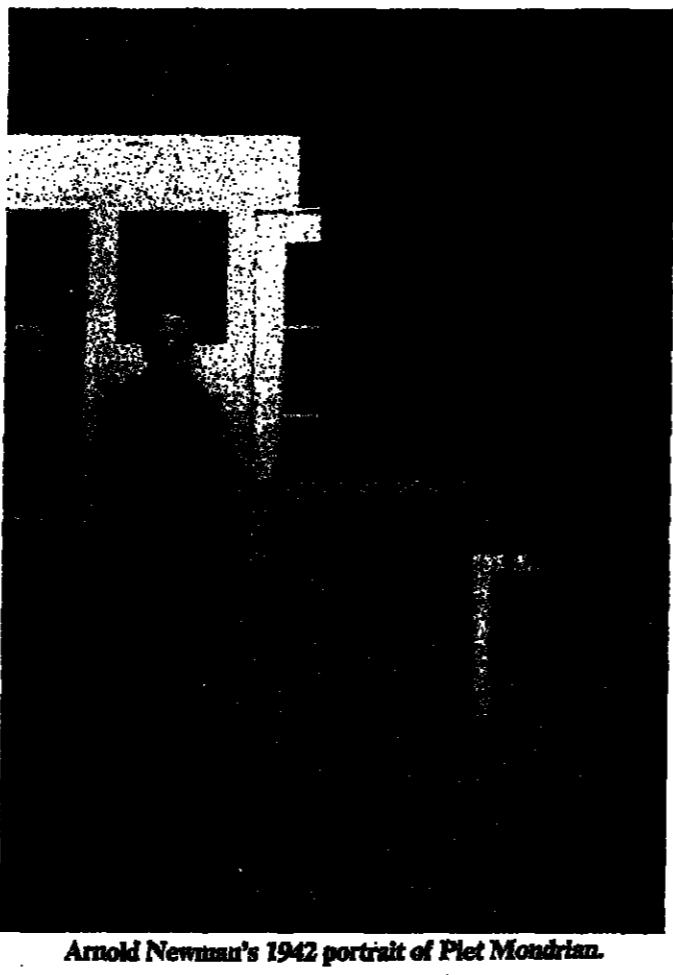
Piet Mondrian, meticulously placed in a dark suit against a paneled door, is as rigid and uncompromising as his geometric paintings; Marcel Duchamp stares out from behind intersecting white lines as if he is about to shatter into the planes of "Nude Descending a Staircase." Grand

Moore is seen in a Victorian parlor, a character in her own naive but carefully staged tableaux. Henry Moore is incorpo-

rated into the opening of one of his figures and Picasso coyly hides an eye.

Krementz seems artless; Newman is cleverly artful and uses the entire repertoire of darkroom tricks to produce his remarkable effects. Those two photographers have used their art to record the state of another, and succeeded in performing a superb service to both. "The Writer's Image" and "Artists: Portraits From Four Decades" are spectacular photography and invaluable social history.

Elaine Kendall is an author, critic and journalist who writes often on the arts. She wrote this article for the Los Angeles Times.



Arnold Newman's 1942 portrait of Piet Mondrian.



Krementz image of Kurt Vonnegut, who also happens to be her husband.

PEOPLE

'Warmth' Dumps Antarctic Crossing

Three British explorers crossing of Antarctica is into a problem—warm. "At times the temperance rises above freezing," said one of the Transglobe Ex in London. "It's the first time, long time that they've crossed that. It means they're making progress. The ice Ross Ice Shelf is much closer to being dry, but only problem is a bit of rain snowmobs." The three—Sir Ranulph Fiennes, 3 Shepherds, 36, and Charles 39—set off from the U Pole base on Dec. 23 for arduous, 800-mile run to M Sound on the opposite side of Antarctica from the coast we landed 11 months ago. King is part of a three-year to circle the world at North and South poles.

Tenor Luciano Pavarotti called his Jan. 15 open performance in Verdi's "La Traviata" in London: Opera House, Covent Garden because his father is ill. The house announced that Pavarotti was expected to sing the same performance of the "vival and a replacement sought for Jan. 15. Pavarotti's father, his father's father, is ill. Pavarotti's father, his father's father, is ill. Pavarotti's father, his father's father, is ill.

Doona Summer has a woman who got her in a church choir, she becomes the queen of film with pure beauty born-again gospel tunes. Summer, who married Bruce Salsano, singer in her backup group Dreams, gave birth to a 3-ounce girl, but at Cedars-Sinai Medical Los Angeles.

SAMUEL

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